SFAS 112 ADOPTION
WORKER'S COMPENSATION

COMPANY	Worker's Compensatio Reserve as of 1/1/93	IBNR as of 1/1/93	Net Previously Accrued Liabilities	SFAS 112 Cumulative Effect
New Jersey Bell	$15,683,933	$10,352,852		$26,036,785
Bell of Pennsylvania	$11,412,611	$5,045,128	($9,000,000)	$7,457,739
Diamond State Telephone	$155,567	$46,488		$202,055
C&P of Washington	$2,913,609	$172,412		$3,086,021
C&P of Maryland	$6,440,056	$4,854,988		$11,295,044
C&P of Virginia	$2,905,263	$1,954,591		$4,859,854
C&P of West Virginia	$6,290,299	$2,743,885		$9,034,184
Total Regulated	1 $45,801,338	2 $25,170,344	(9,000,000)	61,971,682

NOTES:
1. OTC Reserves Based upon Tillinghast's Analysis of June 30, 1993 Reserve Data.
2. IBNR Information Based upon Industry Factors Applied to Claims Reserve Information.

TOTAL 1/1/93 LIA. Σ 1 2 70,971,682

Exhibit 27-A

Summary
Exhibit 3

ESTIMATED LOSS RESERVE REQUIREMENTS
AS OF DECEMBER 31, 1992

Workers Compensation

Company	Estimated Case Outstanding	Estimated IBNR	Total Reserve
Bell of Pennsylvania	11,412,611	5,045,128	16,457,739
Diamond State Telephone	155,567	46,488	202,055
New Jersey Bell	15,683,933	10,352,852	26,036,784
C&P of Washington, D.C.	2,913,609	172,412	3,086,021
C&P of Virginia	2,905,263	1,954,591	4,859,854
C&P of Maryland	6,440,056	4,854,988	11,295,044
C&P of West Virginia	6,290,299	2,743,885	9,034,184
Network Services Staff	0	0	0
Total	45,801,338	26,170,344	70,971,681

Note:

From individual operating company's Exhibit 3.

Network Services Staff reserves for 1992 and prior accident years are included in 7 Bell Atlantic operating companies.

Exhibit 27-A

SFAS 112 ADOPTION
LONG-TERM DISABILITY - MANAGEMENT

COMPANY	Management Force as of 1/1/93 A	LTD Obligation as of 1/1/93 B	Net Trust Assets as of Jan 1, 1993 C	Accrued \ Unfunded LTD Liabilities D	SFAS 112 1/1/93 Cumulative Effect E (B+C+D)
New Jersey Bell	2,374	$1,712,338	($194,711)		$1,517,627
Bell of Pennsylvania	2,504	$1,806,105	($205,373)		$1,600,732
Diamond State Telephone	115	$82,948	($9,432)		$73,516
C&P of Washington	479	$345,497	($39,287)	($192,100)	$114,110
C&P of Maryland	1,165	$840,301	($95,551)	($552,938)	$191,812
C&P of Virginia	1,031	$743,648	($84,561)	($328,493)	$330,594
C&P of West Virginia	358	$258,221	($29,362)	($112,196)	$116,663
Network Services Inc.	7,890	$5,690,962	($647,122)	($424,933)	$4,618,908
Total Regulated	15,916	$11,480,020	($1,305,398)	($1,610,660)	$8,563,962
Total Non-Regulated	6,444	$4,647,980	($528,524)	$0	$4,119,456
.al BAC	22,360	$16,128,000	($1,833,922)	($1,610,660)	$12,683,418

NOTES:

1. Allocation Based Upon 1/1/93 BELL FLEX Participation.

SFAS 112 ADOPTION
LONG-TERM DISABILITY - ASSOCIATE

COMPANY	Associate Force as of 1/1/93	SFAS 112 1/1/93 Cumulative Effect
New Jersey Bell	11,824	$4,879,424
Bell of Pennsylvania	12,414	$5,122,900
Diamond State Telephone	795	$328,074
C&P of Washington	2,515	$1,037,868
C&P of Maryland	7,210	$2,975,359
C&P of Virginia	6,466	$2,668,332
C&P of West Virginia	2,193	$904,988
Network Services Inc.	3,761	$1,552,056
Total	47,178	$19,469,000

NOTES:
1. Allocation based upon associate force.

Exhibit 27-A

Centre Square East
1500 Market Street
Philadelphia, PA 19102-4790
215 246-6000

Towers Perrin

December 14, 1992

Mr. David Beik, CFA
Director, Trust Finance
Bell Atlantic Corporation
1717 Arch Street - 47th Floor
Philadelphia, PA 19103

Dear David:

ASSOCIATES GROUP LTD VALUATION

We have completed a valuation of Bell Atlantic's Long-Term Disability Plan for the Associates group as of January 1, 1992. The main purpose of the valuation is to determine the unfunded liability for this plan as of December 31, 1992.

Background

Associates group LTD coverage is provided by Bell Atlantic Corporation on a noncontributory basis. The benefit is 50% of pay up to a maximum of $5,000 per month. Primary Social Security, pension and workers' compensation benefits are offset. Currently, plan benefits are not pre-funded.

Methodology

We received data on current LTD claimants, current STD claimants who are expected to receive LTD benefits, and current active employees as of January 1, 1992. In addition, we received a history of all claimants whose LTD benefits commenced or terminated since 1988. For this projection, we have used an incidence rate equal to 52% of that from the standard table (1987 Commissioner's Group Disability Table), developed from historical data. This rate is used to estimate the number of new LTD claimants and their liabilities expected in 1992. The other key actuarial assumptions are shown in Exhibit III.

Based on the LTD benefit description in the Bell Atlantic employee handbook and discussions with Bell Atlantic personnel, we have listed the plan provisions that are significant for this valuation in Exhibit II.

Towers Perrin

Valuation Results

The total liability for the Associates' LTD plan includes the following elements:

(1) the liability for reported disabled participants (LTD status);

(2) the liability for participants disabled less than twelve months who are expected to receive LTD benefits; and

(3) administrative expenses.

The key valuation results are summarized as follows ($ figures in thousands):

		Associates LTD Plan	
		Results as of January 1, 1992	Projection to December 31, 1992
(1)	Liability for current LTDs	$12,979	$12,503
(2)	Liability for those disabled five to twelve months as of January 1, 1992	3,606	3,353(a)
(3)	Liability for those disabled less than five months as of January 1, 1992	N.A.	372(b)
(4)	Liability for those disabled during 1992	N.A.	3,047(c)
(5)	Administrative expense (d)	194	194
(6)	Valuation liability [(1) + (2) + (3) + (4) + (5)]	16,779	19,469

(a) Line B4 in Exhibit IB
(b) Line A4 in Exhibit IB
(c) Line E in Exhibit IA.
(d) Administrative expenses presumed equal to 10% of the benefit payments in B3 and C3 of Exhibit IB.

Note with respect to these results that the number of disablements (and liabilities) expected for 1992 is somewhat less than the level of recent plan experience.

Towers Perrin

In summary, the anticipated total unfunded liability for the associates group LTD plan as of December 31, 1992 is projected to be $19,469,000. If the Company chooses to accrue for this liability, the total year-end liability would be the amount to be reflected on the balance sheet. Should the Company consider pre-funding this liability, the maximum contribution to a VEBA is less than the total liability; it is readily determinable from this study.

Sincerely,

Gerard C. Mingione, FSA

Elliott I. Cobin, ASA

GCM/EIC/edf

cc: Catherine Lohwater — Bell Atlantic
Ed Harron — Bell Atlantic

EXHIBIT IA

BELL ATLANTIC CORPORATION

1992 LONG-TERM DISABILITY VALUATION

Associates

Actives Becoming Disabled During 1992

Benefit Levels

A.	Participants	51,641
B.	Covered payroll	$1,728,754,732
C.	Number of expected Disableds	97
D.	Liability as of January 1, 1992	2,827,893
E.	Projected liability as of December 31, 1992	3,047,055

EXHIBIT IB

BELL ATLANTIC CORPORATION

1992 LONG-TERM DISABILITY VALUATION

Associates

Disableds

A. Disabled less than five months

1.	Number		13
2.	Liability as of January 1, 1992	$	414,310
3.	1992 expected benefit payments		71,604
4.	Liability as of January 1, 1993		372,040

B. Disabled five months to one year

1.	Number		93
2.	Liability as of January 1, 1992	$	3,605,569
3.	1992 expected benefit payments		512,244
4.	Liability as of January 1, 1993		3,352,907

C. Disabled one year or more

1.	Number		312
2.	Liability as of January 1, 1992	$	12,979,397
3.	1992 expected benefit payments		1,426,859
4.	Liability as of January 1, 1993		12,503,150

D. Totals for current disableds

1.	Number		418
2.	Liability as of January 1, 1992	$	16,999,276
3.	1992 expected benefit payments		2,010,707
4.	Liability as of January 1, 1993		16,228,097

EXHIBIT II

BELL ATLANTIC CORPORATION

1992 LONG-TERM DISABILITY VALUATION

Associates

Summary of Plan Provisions

1.	Eligibility	Immediate
2.	Benefit levels	50% of pay, max. $5,000/month
3.	Elimination period	12 months
4.	Benefit duration	Life
5.	Offsets	• Primary Social Security • 100% of accrued pension benefits at date of disablement • Workers' Compensation benefits
6.	Employee contributions	None

EXHIBIT III

BELL ATLANTIC CORPORATION

1992 LONG-TERM DISABILITY VALUATION

Associates

Actuarial Assumptions

1.	Discount rate for liabilities	7.75%
2.	Social Security	
	- Approval rate	60%
	- Salary scale	5.25%
3.	Disability incidence rate	52% of the 1987 Commissioner's Group Disability Table
4.	Disability termination rates	1987 Commissioner's Group Disability Table adjusted for occupation and industry
5.	Administration expenses	10% of benefit payments

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Towers Perrin

December 14, 1992

Mr. David Beik, CFA
Director, Trust Finance
Bell Atlantic Corporation
1717 Arch Street - 47th Floor
Philadelphia, Pennsylvania 19103

Dear David:

MANAGEMENT GROUP LTD VALUATION

We have completed a valuation of Bell Atlantic's Long Term Disability Plan for the management group as of January 1, 1992. The main purpose of the valuation is to review the funded status of the plan in light of statutory restrictions, and to determine maximum deductible contribution amounts for the 1992 fiscal year.

Our conclusions are that as of December 31, 1991, Trust assets were well below the maximum allowable indicating that Company contributions for 1991 are tax deductible and the Trust will not incur an unrelated business tax for 1991. Similar conclusions are reached for 1992 assuming that current funding policy remains unchanged through the remainder of the year or that any significant increase in funding falls within the limits developed below.

Background

1984 legislation (DEFRA) places certain restrictions on the funding of VEBA trusts. Unlike other coverages, "safe harbors" are not provided for LTD benefits. In addition to requiring that actuarial assumptions be reasonable in the aggregate, DEFRA limits the amount of reserve with respect to any disability benefit payment to the lesser of (1) the limit for the year on an annual benefit under a qualified defined benefit pension plan ($112,221 in 1992) or (2) 75 percent of an employee's annual compensation from the employer. The legislative conference report further restricts funding of reserves to disabilities that have persisted for at least five months and which are expected to last, as determined by medical evaluations, for more than twelve months. Reserves relative to disabilities of durations less than five months as of the valuation date or those of durations between five and twelve months without medical evaluations, cannot be funded on a tax-deductible basis.

Methodology

We received data on current LTD claimants, current STD claimants who are expected to receive LTD benefits, and current active employees as of January 1, 1992. In addition, we received an updated history of all claimants whose LTD benefits terminated since 1990. We have continued to use an assumed incidence rate of 52% of the standard table (1987 Commissioner's Group Disability Table). The incidence rate is used to estimate the number of new LTD claimants and their liabilities expected in 1992. The other key actuarial assumptions are shown in Exhibit III.

Based on the LTD benefit description in the Bell Atlantic employee handbook and discussions with Bell Atlantic personnel, we have listed the plan provisions that are significant for this valuation in Exhibit II.

Valuation Results

The maximum increase to the fund, to be tax deductible and not incur unrelated business income tax, is measured by comparing the statutory maximum funding reserve level with the plan assets. The maximum reserve includes:

(1) the liability for reported disabled participants (LTD status);

(2) the liability for participants disabled five to twelve months who are expected (based on medical evaluation) to receive LTD benefits; and

(3) administrative expenses.

We understand that medical evaluations are available to Bell Atlantic for those in category (2) above. The liability shown for this group is the present value of future benefits after the LTD status is reached.

Towers Perrin

The key valuation results are summarized as follows ($ figures in thousands):

		LTD Plan — Funded Status	
		Results as of January 1, 1992	Projection to December 31, 1992
(1)	Liability for current LTDs	$13,526	$ 12,937
(2)	Liability for those disabled five to twelve months as of January 1, 1992	628	581[a]
(3)	Liability for those disabled less than five months as of January 1, 1992	N.A.	163[b]
(4)	Liability for those disabled during 1992	N.A.	2,280[c]
(5)	Administrative expense[d]	167	167
(6)	Maximum funding level [(1) + (2) + (3) + (4) + (5)]	14,321	16,128
(7)	Market value of Trust as of December 31, 1991	1,846	1,846
(8)	Maximum increase to the Trust[e]	12,475	14,282

(a) Line B4 in Exhibit IB
(b) Line A4 in Exhibit IB
(c) 7/12 of line E in Exhibit IA - assumes medical evaluations are available for those disabled five to twelve months as of December 31, 1992.
(d) Administrative expenses presumed equal to 10% of the benefit payments in B3 and C3 of Exhibit IB.
(e) Employer and employee contributions combined.

Note with respect to these results that the number of disablements reported for 1991 is extremely low compared to historical plan standards. If this data were expected to be representative of future experience, the $2.28 million projection for 1992 disablements would be reduced, i.e., the expected incidence rate (now 52% of 1987 CGDT) would be reset. We assumed that 1991 is not more representative of the future than prior years.

Funding Considerations

Bell Atlantic's policy has been to set combined employer and employee contributions to the Trust at a level that approximates anticipated benefit payments during the year. Alternatively, a higher contribution level could be established to fund the plan liability over a number of years. The plan liability is the present value of expected future benefit payments for current disableds.

The valuation results indicate that the Company has contributed well below the level allowable to fully fund the LTD plan. Therefore, employer contributions for 1991 are deductible by the Company for FIT purposes and the Trust will not incur a tax for unrelated business income for the 1991 plan year, since Trust assets are less than the maximum reserve allowed.

Theoretically, a 1992 valuation should be performed as close as possible to the end of the year to determine the maximum allowable increase to the Trust fund during 1992. (Note: contributions must be made by the end of the 1992 fiscal year to be tax deductible in 1992.) Based on the projection shown above, we estimate that as long as inflows to the Trust (employer and employee contributions, plus investment income) less payments (benefits and expenses) made from the Trust do not exceed $14,282,000 during 1992, there will be no problem with respect to the tax deductibility of employer contributions and the Trust will not realize an unrelated business income tax in 1992. If medical evaluations were not available for those disabled five to twelve months as of December 31, 1992, then current year disablements would be omitted, which cuts the maximum increase to the fund to $12,002,000.

Based on the contribution amounts shown in Exhibit II, we project employer and employee contributions for 1992 to be $932,000 and $855,000, respectively. Assuming Bell Atlantic does not change its funding policy during the remainder of 1992, we expect the increase to the Trust balance to be:

Trust assets as of 12/31/91	$ 1,846,000
1992 employer contributions	+ 932,000
1992 employee contributions	+ 855,000
Benefit payments during 1992	−1,699,000
Administrative expenses	− 167,000
Investment income	+ 140,000
Projected assets as of 12/31/92	1,907,000
Increase to the Trust in 1992	$ 61,000

This increase is well below the $14,282,000 discussed above and therefore company contributions should be tax deductible and the Trust will not realize an unrelated business income tax in 1992. Assuming Bell Atlantic does not intend to increase the Trust assets to the maximum allowable during 1992, the projection (maximum increase to the fund during 1992 of $14,282,000) contained in this report should suffice for financial reporting and accounting purposes. However, if Bell Atlantic is inclined to make a contribution of the magnitude described, we recommend a valuation using data that is gathered as close to the end of the fiscal year as possible.

In addition to the maximum funding reserve shown above, Bell Atlantic has a liability as of December 31, 1992 for those who became disabled in 1992 and were in the first five months of disablement as of December 31, 1992. This amount is projected to be $1,628,000 (5/12 of line E in Exhibit IA). Funding for this liability is not permitted under DEFRA.

In summary, the anticipated total unfunded liability for the management group LTD plan as of December 31, 1992 is projected to be $15,910,000 ($14,282,000 + $1,628,000). Up to $14,282,000 (or $12,002,000 without medical evaluations) of this can be funded in the VEBA. This includes both employer and employee contributions -- as well as other net inflows. If the Company chooses to accrue for this liability, the difference between the total year-end liability (projected to be approximately $17,756,000) and the asset value of the Trust as of December 31, 1992 would be the amount to be reflected on your balance sheet.

Employee Contributions for 1993

We understand that employee contributions for 1993 will be determined based on the information contained herein. There are a number of methods in use for establishing reasonable employee contributions. There are no statutory requirements for this. Please let us know how we can assist you in this regard.

Sincerely,

Gerard C. Mingione, FSA

Elliott Cobin

Elliott I. Cobin, ASA

GCM/EIC/kmf

cc: Catherine Lohwater — Bell Atlantic
Ed Harron — Bell Atlantic

EXHIBIT IA

BELL ATLANTIC CORPORATION

1992 LONG-TERM DISABILITY VALUATION

Management Employees

Actives Becoming Disabled During 1992

	Benefit Levels	Plan #1 40%	Plan #2 50%	Plan #3 60%	Plan #4 70%	Total
A.	Participants	745	5,428	2,086	15,572	23,831
B.	Covered payroll*	$38,490,112	$266,372,176	$109,759,360	$817,816,576	$1,232,438,224
C.	Number of expected disableds	1	8	3	22	34
D.	Liability as of January 1, 1992	35,060	390,874	267,040	2,934,268	3,627,242
E.	Projected liability as of December 31, 1992	37,777	421,167	287,736	3,161,674	3,908,354

* No cap applied

EXHIBIT IB

BELL ATLANTIC CORPORATION

1992 LONG-TERM DISABILITY VALUATION

Management Employees

Disableds

A.	**Disabled less than five months**		
1.	Number		2
2.	Liability as of January 1, 1992	$	180,500
3.	1992 expected benefit payments		30,696
4.	Liability as of January 1, 1993		162,603
B.	**Disabled five months to one year**		
1.	Number		6
2.	Liability as of January 1, 1992	$	627,957
3.	1992 expected benefit payments		92,088
4.	Liability as of January 1, 1993		580,967
C.	**Disabled one year or more**		
1.	Number		175
2.	Liability as of January 1, 1992	$	13,526,420
3.	1992 expected benefit payments		1,576,428
4.	Liability as of January 1, 1993		12,937,203
D.	**Totals for current disableds**		
1.	Number		183
2.	Liability as of January 1, 1992	$	14,334,877
3.	1992 expected benefit payments		1,699,212
4.	Liability as of January 1, 1993		13,680,773

EXHIBIT II

BELL ATLANTIC CORPORATION

1992 LONG-TERM DISABILITY VALUATION

Management Employees

Summary of Plan Provisions

1. Eligibility — Immediate

2. Benefit levels — Employee election:
   - 40% of pay, max. $3,000/month
   - 50% of pay, max. $5,000/month
   - 60% of pay, max. $7,500/month
   - 70% of pay, max. $10,000/month

3. Elimination period — 12 months

4. Benefit duration — Life

5. Offsets
   - Primary Social Security
   - 100% of accrued pension benefits at date of disablement
   - Workers' Compensation benefits

6. Employee contributions per $100 of pay

Benefit level	Years of service: Less than 15	Years of service: 15 or more
40%	.08	.06
50	.10	.08
60	.14	.10
70	.19	.15

EXHIBIT III

BELL ATLANTIC CORPORATION

1992 LONG-TERM DISABILITY VALUATION

Management Employees

Actuarial Assumptions

1.	Discount rate for liabilities	7.75%
2.	Social Security	
	- Approval rate	70%
	- Salary scale	5.25%
3.	Disability incidence rate	52% of the 1987 Commissioner's Group Disability Table (reflects recent experience for the management group)
4.	Disability termination rates	1987 Commissioner's Group Disability Table adjusted for occupation and industry
5.	Administration expenses	10% of benefit payments
6.	Return on Assets	7.75%

SFAS 112 ADOPTION
DISABILITY PENSION - ASSOCIATE

COMPANY	Associate Force as of 1/1/93	SFAS 112 1/1/93 Cumulative Effect
New Jersey Bell	11,824	$7,293,196
Bell of Pennsylvania	12,414	$7,657,116
Diamond State Telephone	795	$490,366
C&P of Washington	2,515	$1,551,284
C&P of Maryland	7,210	$4,447,221
C&P of Virginia	6,466	$3,988,312
C&P of West Virginia	2,193	$1,352,671
Network Services Inc.	3,761	$2,319,833
Total	47,178	$29,100,000

NOTES:
1. Allocation based upon associate force which is the same methodology used to allocate annual qualified pension cost.

Exhibit 27-A

SFAS 112 ADOPTION
DISABILITY PENSION - MANAGEMENT

COMPANY	Gross Pensionable Wages - 1/1/93	SFAS 112 1/1/93 Cumulative Effect
New Jersey Bell	$142,462,363	$1,900,383
Bell of Pennsylvania	$144,597,116	$1,928,860
Diamond State Telephone	$7,037,065	$93,871
C&P of Washington	$29,025,869	$387,192
C&P of Maryland	$71,085,494	$948,248
C&P of Virginia	$56,795,998	$757,633
C&P of West Virginia	$20,994,476	$280,057
Network Services Inc.	$467,901,952	$6,241,598
Total Regulated	$939,900,333	$12,537,841
Total Non-Regulated	$4,659,725	$62,159
Total BAC	$944,560,058	$12,600,000

NOTES:
1. Allocation based upon Gross Pensionable Wages/Valuation Earnings which is the same methodology used to allocate annual qualified pension cost.

Exhibit 27-A

Gerard C. Mingione, FSA
Vice President

Centre Square East
1500 Market Street
Philadelphia, PA 19102-4790
215 246-6027

Towers Perrin

August 25, 1993

Mr. Ed A. Harron, Jr.
Manager - Defined Benefit Contributions
Bell Atlantic Corporation
1717 Arch Street – 47th Floor North
Philadelphia, PA 19103-2793

Dear Ed:

FAS 112/DISABILITY PENSIONS

As requested, we have reviewed our earlier estimates for FAS 112 liability with respect to those disability pensions that the company pays "out-of-pocket". These are provided for participants who have 15 years of service at disablement, but are not eligible for a regular pension benefit.

1992 Calculations

Our original estimate for this liability was $39.7 million at January 1, 1992. This calculation was based upon 933 disabled participants (140 management/793 associates) with $5.42 million in annual payments. It employs the following assumptions:

- 1.925% annual cost-of-living increases
- PBGC disabled life mortality (non-Social Security recipients)
- other assumptions as per FAS 87 valuations (e.g., 7.75% discount rate).

Note that the PBGC mortality table that we employed is essentially as conservative as the regular Bell Atlantic retiree mortality table – which presumes a large proportion of retirees at ages 55 and below are disabled. Had we employed the PBGC mortality table for Social Security recipients, or any other disabled life mortality table, we would expect a somewhat smaller liability result – since these are based on individuals with more severe impairments.

Projections

Working from the $39.7 million figure, estimates can be developed for successive years, as follows (in $ millions):

	1992	**1993**
■ assume liability for new disableds at 10% beginning of year liability (plus 6% for salary increases)	+4.2	+4.4
■ deduct expected benefit payments	-5.4	-5.7
■ add interest at 7.75%	+3.2	+3.4
■ estimated liability at end-of-year	$41.7	$43.8

Allocation by Plan

As requested, we have developed an allocation of these liability amounts for BAMPP and BAPP. These results are as follows (in $ millions):

	BAMPP	*BAPP*
1/1/92	$11.8	$27.9
1/1/93	12.6	29.1
1/1/94	13.5	30.3

* * * * * * * *

We understand that it is the company's intent to add these benefits to the retirement plans at or about year-end. Once this is done, we expect the annual cost of those plans to increase by about $11-12 million. This is slightly lower than the estimates made last December because of the impact of the existing $40+ million reserve. The effect on the retirement plans will, of course, vary based on the assumption employed for disabled life mortality.

Please call if we can provide further information.

Sincerely,

GCM:fm

cc: Sherry A. Hessenthaler – Bell Atlantic Corporation